EXHIBIT C

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BELLSOUTH TELECOMMUNICATIONS, INC.

DIRECT TESTIMONY OF W. KEITH MILNER

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

DOCKET NO. 11641-U

MAY 10, 2000

Q. PLEASE STATE YOUR NAME, ADDRESS, AND POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC.

A. My name is W. Keith Milner. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. I am Senior Director - Interconnection Services for BellSouth Telecommunications, Inc. (BellSouth). I have served in my present role since February 1996 and have been involved with the management of certain issues related to local interconnection, resale, and unbundling.

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. My business career spans over 29 years and includes responsibilities in the areas of network planning, engineering, training, administration, and operations. I have held positions of responsibility with a local exchange telephone company, a long distance company, and a research and development laboratory. I have extensive experience in all phases of telecommunications network planning, deployment, and operation (including research and development) in both the domestic and

international arenas.

I graduated from Fayetteville Technical Institute in Fayetteville, North Carolina in 1970 with an Associate of Applied Science in Business Administration degree. I also graduated from Georgia State University in 1992 with a Master of Business Administration degree.

Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE ANY STATE PUBLIC SERVICE COMMISSION? IF SO, BRIEFLY DESCRIBE THE SUBJECT OF YOUR TESTIMONY.

A. I testified before the state Public Service Commissions in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, South Carolina, the Tennessee Regulatory Authority, and the Utilities Commission in North Carolina on the issues of technical capabilities of the switching and facilities network regarding the introduction of new service offerings, expanded calling areas, unbundling, and network interconnection.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY BEING FILED TODAY?

A. In my testimony, I will address Issue Number 16 of the Petition for Arbitration filed by BlueStar Networks, Inc. (BlueStar) in this docket.

Issue 16: What is the appropriate method for BlueStar to gain access to

BellSouth's riser cables, allowing BlueStar to provision its digital subscriber line access multiplexer (DSLAM)?

Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

A. BellSouth and BlueStar should negotiate to reach agreement on rates, terms, and conditions for such access. BellSouth has provided other Competing Local Exchange Carriers (CLECs) with sub-loop elements and has done so in a manner of access that retains network reliability, integrity, and security for both BellSouth's network and the CLEC's network. BellSouth believes that BlueStar should not be allowed to use its DSLAM as the point of interconnection between its network and BellSouth's network nor be allowed to cross-connect directly to BellSouth's Intrabuilding Network Cable (INC) (sometimes referred to as "riser cable") or Network Terminating Wire (NTW) for the reasons I will discuss in this testimony.

Q. WHAT IS INTRABUILDING NETWORK CABLE (INC) (SOMETIMES REFERRED TO AS "RISER CABLE)?

A. In multi-story buildings, INC is that part of BellSouth's loop facilities extending from the building's cable entrance (often in the basement or on the first floor) and rising to each floor served by that cable. However, there is also a second transmission facility called Network Terminating Wire (NTW) that connects to the INC, in some cases, and in other cases,

directly to the entrance cable. In either case, the NTW terminates at the end-user's Network Interface Device (NID). Consistent with FCC Part 32 Uniform System of Accounts (USOA), BellSouth designates the distribution cables used inside customers' buildings and between buildings on the same customer's premises as INC. Thus INC is a part of that sub-loop element referred to as loop distribution and is located on the network side of the demarcation point between BellSouth's other loop facilities and, either directly to or through NTW, the inside wire at an end user customer's premises.

Q. WHAT IS NETWORK TERMINATING WIRE (NTW)?

A. NTW is another part of the BellSouth loop facilities referred to as the sub-loop element loop distribution. In multi-story buildings, NTW is connected to the INC and "fans out" the cable pairs to individual customer suites or rooms on a given floor within that building. In other structures such as "garden apartments", there is no INC and, thus, the NTW connects directly to BellSouth's loop distribution facilities. In this sense, NTW is the "last" component of BellSouth's loop on the network side of the demarcation point. NTW is a BellSouth sub-loop UNE offering which can be purchased alone or in combination with INC, depending on the CLEC's network needs.

Q. PLEASE DESCRIBE THE NETWORK INTERFACE DEVICE (NID)

A. Simply stated, the NID provides a demarcation point between BellSouth's facilities (that is, the loop) and the customer's facilities (that is, the inside wire). Thus, the NID provides a way to connect the loop to the inside wire and provides a place to test and determine whether a given trouble condition is the result of problems with the inside wire or problems in the service provider's network.

To summarize, building entrance cables (part of loop distribution) are connected to INC which extends the cable pairs to each floor of the building served by a given entrance cable. The INC pairs are in turn connected to NTW that is in turn connected to the NID. Thus, the NID establishes the demarcation point between BellSouth's network and the inside wire at the end user customer's premises with both NTW and INC being located on BellSouth's side of the demarcation point and, thus, comprising part of BellSouth's network.

Q. IS EITHER NETWORK TERMINATING WIRE (NTW) OR INTRABUILDING NETWORK CABLE (INC) CLASSIFIED AS INSIDE WIRE?

A. No. Per Orders in FCC Docket 79-105, wiring which is on the customer's side of the network demarcation point is classified as inside wire. Since neither NTW nor INC is located on the customer's side of the network demarcation point, it is not, by the FCC's definition, "inside wire." BellSouth does not in any way restrict the use of "inside wire", that is,

wiring on the customer's side of the demarcation point. INC and NTW installed throughout a building resides on the network side of the demarcation point(s). As such, INC is classified in accordance with Part 32 of the FCC's Uniform System Of Accounts as "Intrabuilding Network Cable" (INC), the associated capital costs of which are properly charged to regulated account number 2426. Network Terminating Wire is accounted to expense code 68E.

Q. WHAT ARE SUB-LOOP ELEMENTS?

A. Sub-loop elements are the piece parts that make up the entire loop that extends from the BellSouth central office to the demarcation point between BellSouth's network and the inside wire at the end user customer's premises. Neither sub-loop elements, nor the piece parts referred to as NTW and INC are classified as inside wire. Rather, since these are all on the network side of the demarcation point, they are all parts of BellSouth's loop facilities. However, NTW and INC might be thought of as "sub-sub-loop element unbundling" in that NTW and INC are piece parts of the sub-loop element Loop Distribution.

Q. HAS THE FCC DEALT WITH THE ISSUE OF THE LOCATION OF THE DEMARCATION POINT BETWEEN A TELECOMMUNICATIONS SERVICE PROVIDER'S NETWORK AND INSIDE WIRE?

A. Yes, in Part 68 of its rules. Part 68.3(b) deals separately with buildings

existing after August 13, 1990, and with buildings existing on or before August 13, 1990. Following is the entire text of Part 68.3(b)(1) which deals with buildings existing as of August 13, 1990:

> "In multiunit premises existing as of August 13, 1990, the demarcation point shall be determined in accordance with the local carrier's reasonable and non-discriminatory practices. Provided, however, that where there are multiple demarcation points within the multiunit premises, a demarcation point for a customer shall not be further inside the customer's premises than a point twelve inches from where the wiring enters the customer's premises, or as close thereto as practicable."

Following is the complete text of paragraph 68.3(b)(2) which deals with wiring installed after August 13, 1990:

> "In multiunit premises in which wiring is installed after August 13, 1990, including major additions or rearrangements of wiring existing prior to that date, the telephone company may [emphasis added] establish a reasonable and nondiscriminatory practice of placing the demarcation point at the minimum point of entry. If the telephone company does not elect to establish a practice of placing the demarcation point at the minimum point of entry, the multiunit premises owner shall determine the location of the demarcation point or points. The multiunit premises owner shall determine whether there shall be a single demarcation point location for all

customers or separate such locations for each customer. Provided, however, that where there are multiple demarcation points within the multi-unit premises, a demarcation point for a customer shall not be further inside the customer's premises than a point 30 cm (12 in) from where the wiring enters the customer's premises, or as close thereto as practicable."

I note that the words "presumption" or "presumed", or anything similar, do not appear in this part of the FCC's Rules. Thus, the FCC's rules in no way express any presumption of, or preference for, demarcation points located at the MPOE.

Q. DOES BELLSOUTH HAVE A REASONABLE AND NONDISCRIMINATORY POLICY ON DEMARCATION POINTS BETWEEN BELLSOUTH'S NETWORK AND INSIDE WIRE OWNED OR CONTROLLED BY THE END USER CUSTOMER OR PROPERTY OWNER?

A. Yes. BellSouth establishes the demarcation point consistent with rules promulgated by the FCC in Docket 88-57. BellSouth has not elected to establish a practice of placing the demarcation point at the MPOE. If, however, the property owner wants BellSouth to establish a single demarcation point to serve the entire building, BellSouth will comply with such a request. If the property owner does not want a single demarcation point, BellSouth provides demarcation points in each tenant's office or

suite.

Q. WHICH PARTY INSTALLS AND MAINTAINS INTRABUILDING NETWORK CABLE?

A. In the situation we are discussing here, that is, in cases where the property owner has not elected to have a single demarcation point for all tenants in a building in accordance with the FCC's Part 68 rules (that is, has not established the demarcation at the MPOE), BellSouth has installed, operated, and maintained INC solely for use in providing service to its customers, both its end user customers and CLECs to whom BellSouth provides loops or sub-loop elements on an unbundled basis. BellSouth includes INC in its mechanized inventory databases for assignments of pairs for such uses as new service or repair as needed.

Q. DOES BELLSOUTH PROVIDE INC OR NETWORK TERMINATING WIRE TO CLECs PURSUANT TO INTERCONNECTION AGREEMENTS OR OTHER SUCH AGREEMENTS?

A. Yes. Other telecommunications service providers, including both CLECs and Shared Tenant Service Providers, recognize BellSouth's ownership of INC and NTW. BellSouth has reached agreement on the use of its INC and NTW with several such companies. BellSouth's proposed manner of access retains network reliability, integrity, and security for both BellSouth's network and the CLEC's network. Regarding access to INC,

BellSouth will negotiate with the requesting CLEC to reach agreement on rates, terms, and conditions for such access. In fact, BellSouth recently filed proposed rates for INC with the Georgia Public Service Commission in Docket Nos. 6863-U, 7253-U, and 10692-U.

Q. WHAT ARE THE FEDERAL COMMUNICATIONS COMMISSION'S (FCC) REQUIREMENTS ON NETWORK SECURITY.

A. In its First Report and Order (CC Docket No. 96-98, released August 8, 1996) at paragraph 198, the FCC included the following statement:

> "Specific, significant, and demonstrable network reliability concerns associated with providing interconnection or access at particular point, however, will be regarded as relevant evidence that interconnection or access at that point is technically infeasible."

The FCC elaborated further on this point at paragraph 203 of that same order, by stating:

> "We also conclude, however, that legitimate threats to network reliability and security must be considered in evaluating the technical feasibility of interconnection or access to incumbent LEC networks. Negative network reliability effects are necessarily contrary to a finding of technical feasibility. *Each carrier must be able to retain responsibility for the management, control, and*

performance of its own network." (Emphasis added.)

Thus, the FCC's First Report and Order provides clear guidance to find that allowing a CLEC direct access to BellSouth's INC or NTW as proposed by BlueStar is not technically feasible.

In fact, one important aspect of the FCC's definition of "technical feasibility" is the recognition that methods of interconnection or access that adversely affect network reliability are "relevant evidence that interconnection or access at that particular point is technically infeasible." (First Report and Order, ¶¶ 198, 203) Thus, BlueStar's proposal must be rejected due to its adverse effect on network reliability and security.

Q. WHEN YOU EXAMINE BLUESTAR'S PROPOSAL IN LIGHT OF ITS ADVERSE EFFECT ON NETWORK RELIABILITY AND SECURITY, WHAT IMPACT COULD IT HAVE ON END USER CUSTOMERS?

A. Closer examination of BlueStar's proposal immediately reveals that BlueStar's technicians could, intentionally or unintentionally, disrupt the service provided by BellSouth to its end user customers or the end user customers of CLECs using unbundled sub-loop elements acquired from BellSouth. The FCC requires that "each carrier must be able to retain responsibility for the management, control, and performance of its own network." (First Report and Order, ¶ 203) BlueStar's proposal strikes at the heart of this provision and, if allowed, would render BellSouth

incapable of managing and controlling its network in the provision of service to its end user customers. Clearly, the adoption of BlueStar's proposal could place BellSouth in jeopardy of violating the FCC's rules.

Q. IS BLUESTAR'S DSLAM AN APPROPRIATE POINT OF INTERCONNECTION?

A. No. Points of interconnection, wherever they are located, establish where one service provider's network ends (and thus its responsibilities for provisioning, maintenance, and repair) and where another service provider's network begins. BellSouth believes that some mutually accessible device such as an access terminal is a far more appropriate point of interconnection than a DSLAM. I do not believe BlueStar would want BellSouth doing testing and related work on BlueStar's DSLAM equipment to determine whose network needed repair. Such would be the case, however, if BlueStar's DSLAM equipment also served as the point of interconnection between BellSouth's network and BlueStar's network.

Q. ARE YOU AWARE OF ANY STATE COMMISSION THAT HAS ADDRESSED THE ISSUE OF DIRECT ACCESS TO INC OR SIMILAR CABLE THAT IS SOMETIMES REFERRED TO, GENERICALLY, AS RISER CABLE?

A. No. However, this Commission and the Florida Public Service Commission have considered this same issue of access in the context of

NTW in the arbitration proceedings between BellSouth and MediaOne in Docket Nos. 10418-U and 990149-TP, respectively.

Q. IS THE USE OF NETWORK TERMINATING WIRE IN MULTIPLE RESIDENTIAL DWELLING UNITS SIMILAR TO THE USE OF INC AND NTW IN MULTI-STORY BUILDINGS?

A. Yes. In my view, the serving principles and technology are essentially the same.

Q. WHAT DID MEDIAONE WANT IN THE NTW DOCKETS DISCUSSED ABOVE?

A. MediaOne wanted direct access to BellSouth's terminals at which BellSouth terminates its NTW for multiple residential dwelling units without the involvement of a BellSouth technician.

Q. WHAT WAS BELLSOUTH'S PROPOSAL AS PRESENTED IN THE MEDIAONE DOCKETS?

A. I proposed the following in my direct testimony:

> "BellSouth offers a reasonable method of access to the NTW in BellSouth's garden terminal. Using BellSouth's proposed method, the CLEC installs its own terminal in proximity to the

BellSouth garden terminal. BellSouth installs an access terminal that contains a cross-connect panel on which BellSouth will extend the CLEC requested NTW pairs from the garden terminal. The CLEC will then extend a tie cable from their terminal and connect to the pairs they have requested. The CLEC would then install its own Network Interface Device (NID) within the end-user apartment and connect the CLEC requested pair(s) to this NID. This manner of access retains network reliability, integrity, and security for both BellSouth's network and the CLEC's network."

Q. WHAT WAS THIS COMMISSION'S RULING IN THE MEDIAONE DOCKET?

This Commission found that MediaOne should gain access to BellSouth's facilities through the use of an access terminal but that at the time of providing service to a particular end user customer no BellSouth technician need be involved in the process. In its Order at page 10, the Commission stated:

> As stated in the prior section, to the extent there is not currently a single point of interconnection that can be feasibly accessed by MediaOne, consistent with the FCC's Third Report and Order, BellSouth must construct a single point of interconnection that will

be fully accessible and suitable for use by multiple carriers. Such single points of interconnection shall be constructed consistent with MediaOne's proposal such that MediaOne shall provide its own cross connect (CSX) facility in the wiring closet to connect from the building back to its network. MediaOne would then be able to connect its customers within the MDU [that is, the Multiple Dwelling Unit] by means of an "access CSX".

Q. WHAT IS YOUR UNDERSTANDING OF THE GEORGIA COMMISSION'S ORDER?

A. BellSouth will construct an "access CSX" to which it will terminate all of the NTW pairs. MediaOne, and any other interested CLEC, will then have access to any NTW pair on the access CSX that is not being used by BellSouth or another CLEC, pursuant to the terms of the parties' interconnection agreement. What the Georgia Commission did not allow was for BellSouth to require the use of its technicians to perform the cross-connects between the parties' networks on a pair by pair basis.

Q. WHAT WAS THE FLORIDA COMMISSION'S RULING IN ITS MEDIAONE DOCKET?

A. The Florida Commission denied MediaOne's request for direct access to NTW and required an access terminal to be placed between BellSouth's network and MediaOne's network. The access terminal gives MediaOne

the access to NTW it desires without reducing network reliability and security. The Florida Commission determined that MediaOne and others could gain access to unbundled NTW without reducing network security and reliability by adopting BellSouth's proposed form of access. A portion of that Order beginning on page 17 follows:

> The record does not contain evidence of any case which would support a proposal where one party is seeking to use its own personnel to, in effect, modify the configuration of another party's network without the owning party being present. We find that MediaOne's proposal to physically separate BellSouth's NTW cross-connect facility from BellSouth's outside distribution cross-connect facilities is an unrealistic approach for meeting its objectives. Therefore, BellSouth is perfectly within its rights to not allow MediaOne technicians to modify BellSouth's network.
>
> ...Based on the evidence presented at the hearing, we believe that it is in the best interests of the parties that the physical interconnection of MediaOne's network be achieved as proposed by BellSouth.

DID THE FLORIDA MEDIAONE AND THE GEORGIA MEDIAONE ORDER REACH THE SAME CONCLUSION WITH REGARD TO THE METHOD OF ACCESS TO NTW?

A. Yes. It is BellSouth's understanding that both orders require the use of an access terminal to separate BellSouth's network from the networks of CLECs. BellSouth believes that the use of access terminals as ordered by this Commission and the Florida Commission gives CLECs the requisite access to unbundled sub-loop elements while still maintaining adequate network reliability and security.

Q. WERE THERE ANY DIFFERENCES BETWEEN THE FLORIDA MEDIAONE ORDER AND THE GEORGIA MEDIAONE ORDER?

A. Yes. In the Florida order, only BellSouth is permitted to install the cross-connects from BellSouth's network to the access terminal. In the Georgia order, MediaOne (or other CLEC), may install the cross-connects from MediaOne's network to the access terminal and may also disconnect a non-working BellSouth jumper at the access terminal if MediaOne wins the business of the end user customer.

Q. DO YOU BELIEVE THE GEORGIA COMMISSION SHOULD REACH THE SAME CONCLUSION REGARDING THE METHOD OF ACCESS TO INC AS IT DID FOR NTW?

A. Yes, but only in part. BellSouth believes that the use of an access terminal to which the networks of BellSouth and the CLECs are both connected is an appropriate method of providing access to the sub-loop element INC.

Q. DO YOU BELIEVE THE GEORGIA COMMISSION SHOULD REACH THE SAME CONCLUSION REGARDING THE INSTALLATION OF THE CROSS-CONNECTS FROM BELLSOUTH'S NETWORK TO THE ACCESS TERMINAL FOR INC AS IT DID FOR NTW?

A. No. In a simple residential garden apartment situation, bridging the working BellSouth lines over to the access terminal could, in fact, disturb working customers' services, but, it is hoped, with minimal adverse impact. However, in a commercial high rise building involving business customers with high speed digital data services operating 24 hours per day, any disturbance of a working circuit, such as would occur when attempting to fully duplicate all INC and NTW pairs, would cause irreparable harm to existing services and subject BellSouth to lawsuits and out-of-service claims. Furthermore, such interruptions could and would be considered by some customers as a serious breach of security.

Q. WHAT IS BELLSOUTH'S PROPOSAL FOR PROVIDING ACCESS TO INC AND/OR NTW IN COMMERCIAL ENVIRONMENTS?

A. In a commercial environment, BellSouth will provide access to spare INC and/or NTW pairs as requested by the CLEC by terminating such pairs on separate connecting blocks serving as an access terminal for easy access by the CLEC. It is impractical and uneconomic for BellSouth to "bridge" all INC and NTW pairs in such situations. BellSouth's proposal avoid

unnecessary work on pairs for which CLECs are not requesting access, thus avoiding potential harm to the network and those existing customers' services. However, the CLECs' needs will be met because they will have access to INC and/or NTW pairs as needed.

Q. WHAT IS THE DIFFERENCE IN RECORD KEEPING FOR INC AND NTW AND WHY IS THIS DIFFENCE IMPORTANT?

A. There are significantly increased risks to customer service because of the differences in the record keeping requirements between NTW and INC. The crucial difference between INC and NTW is that NTW records are not inventoried in mechanized systems while INC records are maintained in mechanized systems. These mechanized systems are usually not accessible by BellSouth's field technicians. NTW records consist generally as paper tags on each pair of wires that are present at the NTW terminal. A technician can determine the use to which a particular circuit is being put while on-site either via the tag or by electrically testing the NTW. Such intrusive testing is the cause of previously mentioned disturbance of the line. Such intrusive testing cannot be done without interrupting existing line transmissions.

By contrast, INC records are mechanized records not available at the access terminal. As inventoried records, individual assignments of INC pairs are made as orders for service are processed. Should particular INC pairs become unusable, a notation is made in the records system so that

the pairs are not assigned as the need for additional pairs arise. Thus, a field technician has no way of using particular INC pairs without risking disruption of service to existing end user customers. Using a test set to determine whether the cable pair is in use would disrupt an in-progress transmission. Utilizing INC pairs at random will result in taking an existing end user customer out of service, or in having the new end user customer's service be inoperable because of a faulty INC pair. Should a technician by chance choose a spare INC cable pair and successfully install the end user customer's service, there is no means of protecting that service from potential disruptions resulting from the next technician entering that work area, no matter whether that technician is employed by BellSouth, BlueStar, or another CLEC. As subsequent technicians enter the work scene, the existing cable pair INC records would progressively deteriorate, creating an immediate and significant service problem that would be extremely costly and difficult to correct.

Q. WHAT MEANS OF ACHIEVING A PROPERLY MAINTAINED ACCESS TERMINAL SHOULD BE ADOPTED BY THE GEORGIA COMMISSION?

A. BellSouth believes the appropriate method is to require BellSouth to construct an access terminal for spare INC pairs as may be requested by a CLEC, specifically the number of pairs needed and the floors at which the pairs are needed. BlueStar (and other CLECs) would interconnect their network to these individually constructed access terminals. Such a methodology would permit CLECs appropriate access to end user

customers while providing both companies the ability to maintain appropriate records on an on-going basis.

Q. HAVE YOU PREPARED AN EXHIBIT WHICH ILLUSTRATES BELLSOUTH'S PROPOSAL IN THIS DOCKET?

A. Yes. Exhibit WKM-1 contains three (3) pages that I hope aid in understanding this issue. BellSouth provides CLECs with access to BellSouth's facilities via the access terminal which is cross-connected by tie cable pairs with the terminals of both BellSouth and the CLEC thus allowing an CLEC access while preserving network reliability and security. Page 1 shows a typical serving arrangement in multi-story buildings for which BellSouth is the sole provider of telephone service. Page 2 shows BellSouth's proposed form of access for BlueStar and any other CLEC. It utilizes an access terminal that is cross-connected by tie cable with the terminals of both BellSouth and BlueStar. Page 3 shows BellSouth's understanding of BlueStar's proposed form of access. It shows that both BellSouth and BlueStar's loop facilities would be terminated in the same terminal, thereby giving BlueStar direct access to all the INC pairs including those used by BellSouth's end user customers and other CLECs' end user customers in cases where the CLEC provides service in part via unbundled sub-loop elements acquired from BellSouth.

Q. IS THE METHODOLOGY PROPOSED BY BELLSOUTH APPROPRIATE FOR PROVIDING BLUESTAR'S ACCESS TO BELLSOUTH'S INC

WHILE ALSO ALLOWING BLUESTAR TO PROVISION ITS OWN DSLAM?

A. Yes. BlueStar would provision its DSLAM on its side of the access terminal thereby removing the DSLAM as a matter of concern to BellSouth.

Q. DOES BELLSOUTH'S PROPOSAL ADEQUATELY ADDRESS NETWORK RELIABILITY AND SECURITY CONCERNS?

A. Yes. The access terminal provides a technically feasible method of separating BellSouth's network and BlueStar's network in a manner that permits each company complete control of and responsibility for the maintenance and repair of its facilities.

Q. IS IT POSSIBLE FOR SERVICE PROVIDERS SUCH AS BLUESTAR TO SELF PROVISION ITS OWN INC AND NETWORK TERMINATING WIRE?

A Yes. There are many cases where INC capacity must be augmented to allow growth of customer lines. Such augmentation of capacity is routine. The floor penetrations rising between floors are often shared by the service providers in a given building. Most importantly, BellSouth is not opposed to providing its INC to BlueStar or any CLEC on an unbundled basis. BellSouth's concern is with the manner in which that access is

achieved.

Q. WHAT ISSUES ARE ROUTINELY CONFRONTED IN THE AUGMENTATION OF INC AND NETWORK TERMINATING WIRE CAPACITY?

A BellSouth, itself, is faced with the issue of reinforcing INC on a daily basis, as are other CLECs who provide their own equivalents to BellSouth's Intrabuilding Network Cable. In most cases, there are spare pathways and spaces that can be used, subject to approval by the building owner. A key activity is to review building infrastructure and obtain the owner's permission to use such prior to making a commitment to provide service to tenants/end users. In cases where additional through-floor penetrations are required and the building owner refuses to allow such work to be performed, any carrier, including BellSouth, would have to consider the option of leasing spare facilities from another carrier. Where spare cable pairs are available, BellSouth offers Intrabuilding Network Cable as a UNE. In summary, BlueStar is free in many cases to provide its own INC, to lease INC from another CLEC, or to lease it from BellSouth.

Q. WHAT IS YOUR UNDERSTANDING OF BLUESTAR'S PROPOSED METHOD OF ACCESS TO BELLSOUTH'S INC CABLE?

A. BellSouth's understanding of BlueStar's proposed form of access is shown on Page 3 of my Exhibit WKM-1, which is attached to this testimony. It

shows that both BellSouth and BlueStar's loop facilities would be terminated in the same terminal, thereby giving BlueStar direct access to all the INC pairs, including those used by BellSouth's end user customers and other CLECs' end user customers in cases where the CLEC provides service in part via unbundled loops or sub-loop elements acquired from BellSouth.

Q. WHAT IS THE PROBLEM WITH BLUESTAR'S PROPOSAL?

A. BlueStar's proposal needlessly increases the risk of customer service interruptions, both to BellSouth's retail customers as well as to other CLECs' customers. Service providers other than BellSouth have also installed INC in particular buildings and BlueStar's use of those facilities without notice or consent could likewise result in service outages for the other service provider's customers. Closer examination of BlueStar's proposal immediately reveals that BlueStar's technicians could, intentionally or unintentionally, disrupt the service provided by BellSouth to its end user customers or the end user customers of CLECs using unbundled loops or sub-loop elements acquired from BellSouth. The FCC requires that "each carrier must be able to retain responsibility for the management, control, and performance of its own network." (First Report and Order 96-325, ¶ 203) BlueStar's proposal, if allowed, would render BellSouth incapable of managing and controlling its network in the provision of service to its end user customers. How BlueStar believes accurate records of INC inventory (that is, INC pairs in use, spare, or

defective) might be maintained is a mystery. Further, BellSouth (and any other provider of INC) would be at BlueStar's mercy to inform the owner of the INC as to when, where, and how BlueStar used its property. In the day-to-day provisioning of services, it is unrealistic to assume that technicians will routinely "call in" to report a pair used. BellSouth's INC pair assignment mechanized records process avoids this problem.

Q. WHAT FUNCTION OR PURPOSE IS SERVED BY THE ACCESS TERMINAL IN THE ARRANGEMENT PROPOSED BY BELLSOUTH?

A. The access terminal provides an obvious, unambiguous means of providing unbundled access to BellSouth's INC cable without degrading network security and service reliability. Installation of the access terminal costs time and material and BellSouth is entitled to recover both from the cost causer, in this case, BlueStar.

Q. WHAT SERVICE RISK ENSUES FROM A SERVICE PROVIDER HAVING DIRECT ACCESS TO BELLSOUTH'S INC OR NTW AND USING SUCH WITHOUT BELLSOUTH'S KNOWLEDGE OR PERMISSION?

A. Such actions would put at risk not only the service to BellSouth's own retail customers but also the customers of CLEC's lawfully using INC cable acquired from BellSouth. Likewise, such behavior would also put at risk the service to the customers of any other service provider which has

provisioned its own INC and which was similarly used without the owner's knowledge or permission.

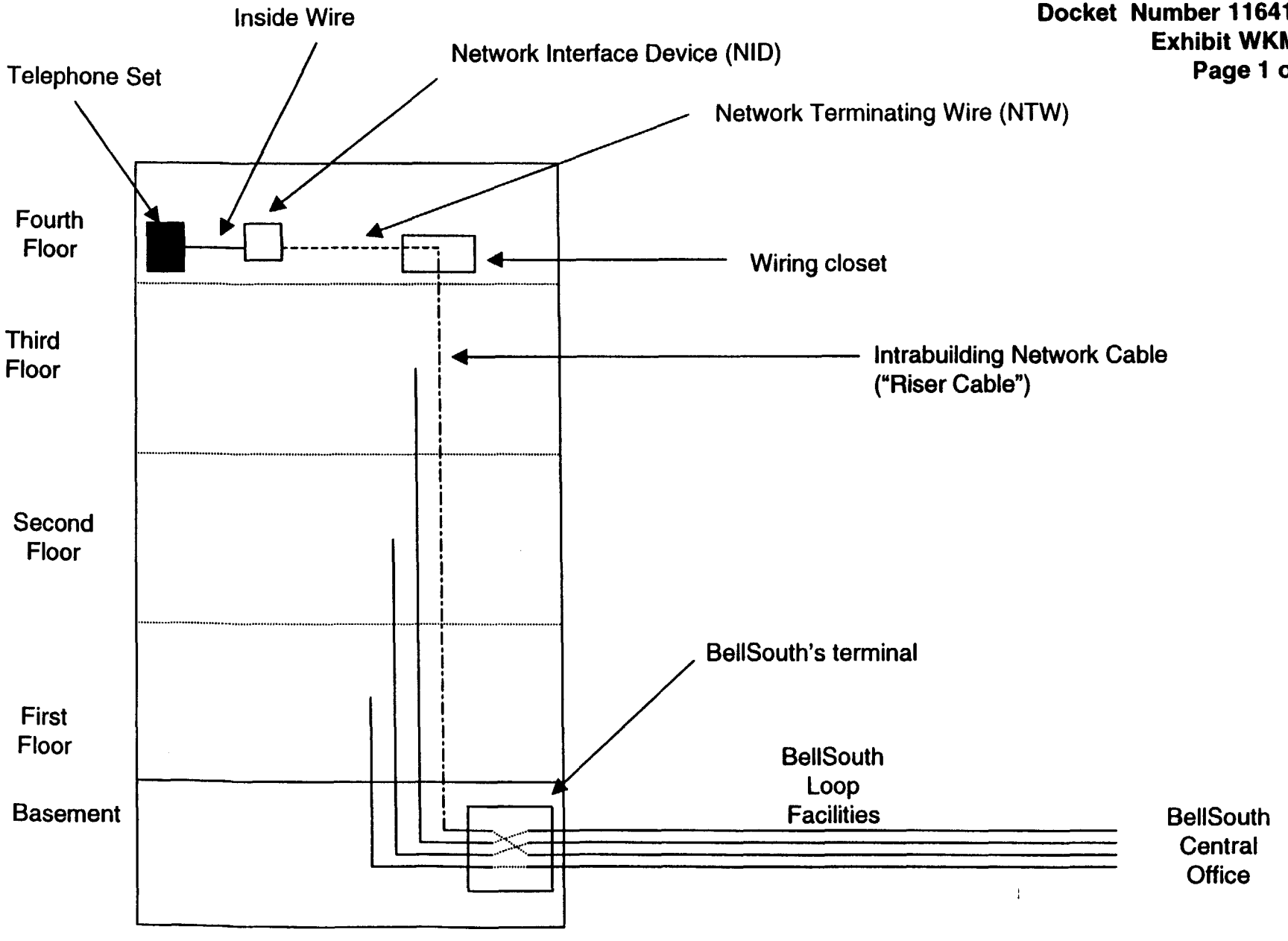
Q. IF BLUESTAR WERE TO AGREE TO BELLSOUTH'S PROPOSED FORM OF ACCESS TO INC AND NTW, MUST A BELLSOUTH TECHNICIAN BE DISPATCHED TO THE CUSTOMER'S PREMISES EACH AND EVERY TIME BLUESTAR ACQUIRES A CUSTOMER AND WANTS TO PROVIDE SERVICE TO THAT CUSTOMER IN PART USING BELLSOUTH'S INC AND NTW?

A. No. BlueStar may request and BellSouth will provide INC cable pairs on a pre-wired basis such that the these pairs are already available to BlueStar at the time it chooses to provide service to its customer without having to wait for BellSouth to complete any required cross connections. Thus, BellSouth's work (both for installing the access terminal and for extending any INC cables to the access terminal for BlueStar's subsequent use) may be done well in advance of any actual service provisioning to a given end user customer. While pre-wiring does require BlueStar to begin paying the monthly lease fees immediately, this is a business decision that is entirely at BlueStar's option. BlueStar does not have to wait for BellSouth to complete a cross connection or for any other provisioning activity if BlueStar has previously requested and BellSouth has provided pre-wired connections to the INC and network terminating wire.

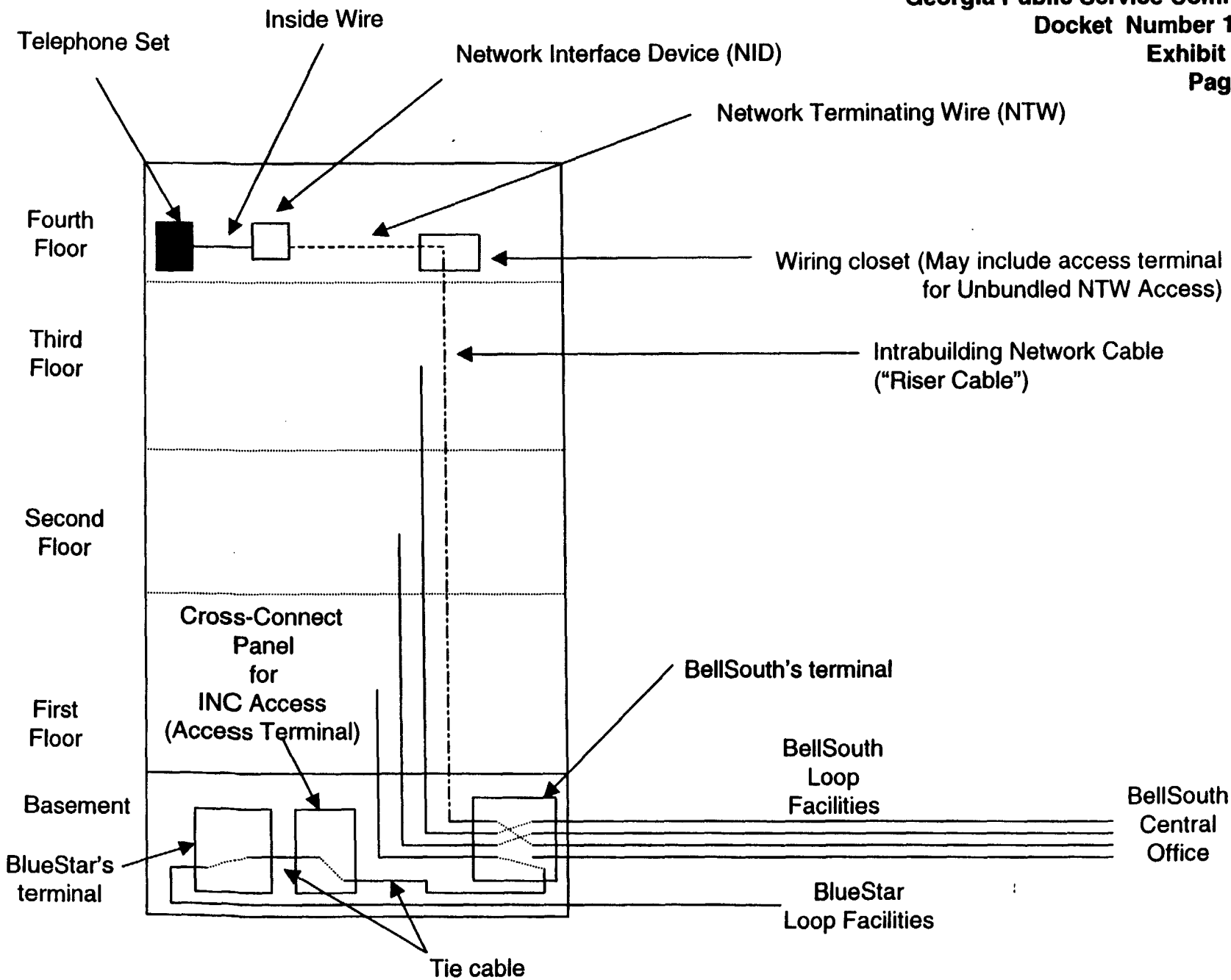
Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

Typical existing serving arrangement



BellSouth's proposed form of access



BellSouth's understanding of BlueStar's proposed form of access